LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Conservation Auditorium, 1st Floor, State Land & Natural Resources Building, 625 North 4th Street, Baton Rouge, Louisiana, at 9:00 a.m., on **TUESDAY, OCTOBER 24, 2000,** upon the application of **KCS MEDALLION RESOURCES, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of an Order pertaining to the following matters relating to the **Cotton Valley D Zone**, **Reservoir A and Cotton Valley Vaughn Sand**, **Reservoir A**, in the South Drew Field, Ouachita Parish, Louisiana.

- To establish a single additional drilling and production unit for the exploration for and production
 of gas and condensate from the Cotton Valley D Zone, Reservoir A, to be designated CV
 D RA SUDD, as shown outlined on the plat submitted with the application.
- To establish a single additional drilling and production unit for the exploration for and production of gas and condensate from the Cotton Valley Vaughn Sand, Reservoir A, to be designated VGN RA SUN, as shown outlined on the plat submitted with the application.
- 3. To force pool and integrate all of the separately owned tracts, mineral leases and other property interests within the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950 with each tract sharing in unit production on a surface acreage basis of participation.
- 4. To designate the KCS Medallion Resources, Inc. Johnson 3 No. 1 Well as the unit well for CVD RA SUDD and VGN RA SUN, at the location shown on the plat submitted with the application in exception to the spacing rules established by the 904 Series of Orders, and to designate KCS Medallion Resources, Inc. as operator of the units.
- 5. To extend the existing field rules for the Cotton Valley D Zone, Reservoir A, and the Cotton Valley Vaughn Sand, Reservoir A to the proposed units except to the extent inconsistent herewith.
- 6. To consider such other matters as may be pertinent.

The Cotton Valley D Zone, Reservoir A, in the South Drew Field, Ouachita Parish, Louisiana, was defined in Office of Conservation Order No. 904-A-1, effective on and after April 10, 1975.

The Cotton Valley Vaughn Sand, Reservoir A, in the South Drew Field, Ouachita Parish, Louisiana, was defined in Office of Conservation Order No. 904-D, effective on and after December 16, 1975.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Monroe**, Louisiana.

- 6 - Page 2

SOUTH DREW FIELD 00-699 and 00-700

All parties having interest therein shall take notice thereof.

BY ORDER OF:

PHILIP N. ASPRODITES COMMISSIONER OF CONSERVATION

Baton Rouge, La 9/15/00;9/20/00 M dpe

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE CONTACT <u>DEPARTMENT OF NATURAL RESOURCES</u>, <u>PERSONNEL SECTION</u> AT P.O. BOX 94396, BATON ROUGE, LA 70804-9396 IN WRITING OR BY TELEPHONE (225) 342-2134 BETWEEN THE HOURS OF 8:00 A.M. AND 4:30 P.M., MONDAY THRU FRIDAY WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.